

Message Text

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20

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03 SS-15

 NSC-05 /048 W

----- 059505

R 010459Z DEC 76

FM AMEMBASSY SEOUL

TO AMEMBASSY BANGKOK

SECSTATE WASHDC 768

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EO 11652: N/A

TAGS: EAIR, TH, KS

SUBJ: CIVAIR, KAL PURCHASE OF LEASE ON DC-10

REF: BANGKOK 32524

1. KAL SOURCE HAS CONFIRMED THAT AGREEMENT IN PRINCIPLE WAS REACHED DURING NEGOTIATIONS IN SEOUL MONDAY, NOVEMBER 29, FOR KAL TO TAKE OVER AIR SIAM LEASE OF DOUGLAS DC-10.

2. BECAUSE OF LEGAL AND FINANCIAL COMPLICATIONS TWO MODALITIES ARE BEING EXPLORED A) KAL TO LEASE DIRECTLY FROM AIR SIAM, OR B) MCDONNELL DOUGLAS TO RESPOSSESS THE AIRCRAFT AND THEN LEASE PLANE TO KAL. ACCORDING TO KAL SOURCE, BOTH POSSIBILITIES ARE BEING EXPLORED BUT IT MAY TAKE SOME TIME BEFORE ALL THE PROBLEMS CAN BE SORDTED OUT.

3. SEOUL PRESS DECEMBER 1 QUOTES REUTER DISPATCH FROM BANGKOK THAT DC 10 LEASE HAS BEEN SOLD FOR "A SUBSTANTIAL AMOUNT OF MONEY", CITING AIR SIAM SPOKESMAN. KAL OFFICIAL STATES THIS REPORT OVERSTATED ACTUAL RESULTS MONDAY'S DISCUSSIONS, BUT WOULD NEITHER CONFIRM OR DENY THAT SOME FINANCIAL TRANSACTION MAY HAVE TAKEN

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PLACE.

4. KAL'S ACQUISITION OF THE DC 10 LEASE MAKES SENSE FOR KOREAN AIRLINES WHICH IS UNDERTAKING EXPANSION OF SERVICES TO MIDDLE EAST AND EUROPE. AN AVIATION AGREEMENT WAS RECENTLY CONCLUDED BETWEEN KOREA AND SAUDI ARABIA TO ESTABLISH AIR SERVICES BETWEEN THE TWO COUNTRIES. AT PRESENT KAL HAS BEEN FLYING PASSENGERS BETWEEN SEOUL AND ZURICH VIA BAHREIN ONCE A WEEK.
SNEIDER

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Message Attributes

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